

	Explanation	التوضيح	
Title	SAL Saudi Logistics Services Company announces the signing of a Preliminary Agreement with Sela Company for the lease of land in Falcon City in North of Riyadh	تعلن شركة سال السعودية للخدمات اللوجستية عن توقيع اتفاقية تمهيدية مع شركة صلة لاستئجار أرض في فالكون سيتي بشمال الرياض	عنوان الإعلان
Introduction	SAL Saudi Logistics Services Company announces the signing of a Preliminary Agreement with Sela Company for the lease of land with an area of 1,561,965 square meters in Falcon City in North of Riyadh for the construction, development and operation of a logistics zone.	تعلن شركة سال السعودية للخدمات اللوجستية عن توقيع اتفاقية تمهيدية مع شركة صلة لاستئجار أرض بمساحة 1,561,965 متر مربع في فالكون سيتي بشمال الرياض لبناء وتطوير وتشغيل منطقة لوجستية.	مقدمة
Transaction Details	SAL leases land with an area of 1,561,965 square meters in Falcon City, from Sela Company and located in the Malham area north of Riyadh, to construct, develop and operate a logistics zone for the purpose of executing SAL's logistics projects and services for a period of 30 years, extendable to an additional 15 years by agreement of both parties, with a grace period of 3 years.	استئجار سال أرض بمساحة 1,561,965 متر مربع في فالكون سيتي من شركة صلة والواقع بمنطقة ملهم شمال مدينة الرياض وذلك لبناء وتطوير وتشغيل منطقة لوجستية لغرض تنفيذ مشاريع وخدمات سال اللوجستية لمدة 30 سنة قابلة للتمديد إلى 15 سنة إضافية باتفاق الطرفين مع فترة سماح تمتد لـ 3 سنوات.	تفاصيل الصفقة

<p>Transaction Value</p>	<p>SAL will pay a lease rate of sixteen (SAR 16) per square meter of the Area with an annual inflation rate of one and a half percent (1.5%) throughout the lease term following the grace period</p> <p>SAL agrees to pay to Sela Company a one-time, non-refundable fee of twenty-five million (SAR 25,000,000) upon signing the final Agreement, for the purposes of covering electricity and access roads and related infrastructure cost.</p>	<p>تقوم سال بدفع قيمة الإيجار ستة عشر (16 ريال سعودي) لكل متر مربع من المنطقة مع احتساب معدل تضخم سنوي قدره واحد ونصف بالمائة (1.5%) طوال مدة الإيجار بعد انتهاء فترة السماح</p> <p>توافق سال على أن تدفع لشركة صلة رسوم غير قابلة للاسترداد قدرها خمسة وعشرون مليون (25,000,000 ريال سعودي) لمرة واحدة عند توقيع الاتفاقية النهائية وتكون هذه الرسوم مخصصة للكهرباء وتمهيد الطرق وتكاليف البنية التحتية ذات الصلة.</p>	<p>قيمة الصفقة</p>
<p>Transaction Terms</p>	<p>A 30-year agreement extendable to an additional 15 years by agreement of both parties, with a grace period of 3 years starting from the land handover date or from the date SELA's notification to SAL, with a notice of one (1) month, of the land's availability for handover to SAL, whichever occurs later.</p> <p>Both parties commit to completing the final agreement within 6 months from the date of signing the Preliminary Agreement and without any change in the above-mentioned commercial details</p>	<p>تسري الاتفاقية لمدة 30 سنة قابلة للتمديد إلى 15 سنة إضافية باتفاق الطرفين مع فترة سماح 3 سنوات تبدأ من تاريخ التسليم أو من تاريخ إشعار شركة صلة لشركة سال بأشعار مدته شهر بإمكانية تسليم الأرض أيهما لاحق.</p> <p>يلتزم الطرفين بالعمل على إتمام الاتفاقية النهائية خلال 6 أشهر من تاريخ توقيع الاتفاقية المبدئية مع الالتزام بالتفاصيل المالية المذكورة أعلاه.</p> <p>يتم الاتفاق على تاريخ تسليم الأرض لسال بعد إتمام توقيع الاتفاقية النهائية.</p>	<p>شروط الصفقة</p>

	The land handover date will be agreed upon signing the final Agreement		
Parties of the Transaction	Tenant: SAL Saudi Logistics Services Company Lessor: Sela Company	المستأجر: شركة سال السعودية للخدمات اللوجستية المؤجر: شركة صلة	أطراف الصفقة
Transaction Execution Date	17/03/2025	17/03/2025	تاريخ إبرام الصفقة
Description of the Business of the Asset forming the Subject Matter of the Transaction	Construction, development and operation of a logistics zone for the purpose of executing SAL's logistics projects and services	بناء وتطوير وتشغيل منطقة لوجستية لغرض تنفيذ مشاريع وخدمات سال اللوجستية	وصف النشاط للأصل موضوع الصفقة
Transaction reasons	SAL plans to construct, develop and operate a logistics zone at Falcon City in the Malham area North of Riyadh for the purpose of executing its logistics projects and services	تخطط سال لبناء وتطوير وتشغيل منطقة لوجستية في فالكون سيتي والواقع بمنطقة ملهم شمال الرياض لغرض تنفيذ مشاريع وخدمات سال اللوجستية	أسباب الصفقة
Expected Impact of the Transaction on the Company and Its Operations	This transaction is intended for the launch of a logistics zone which is an expansion of SAL's operations and a new revenue segment that is expected to appear in the company's financial results within the next few years upon completion of the project.	تنوي سال من خلال هذه الاتفاقية التوسع في نطاق عملياتها عن طريق تأسيس منطقة لوجستية والتي ستشتمل مصدر إيراد جديد للشركة والمتوقع أن يظهر أثره في نتائجها المالية خلال السنوات القادمة عند اكتمال المشروع وتشغيله.	الاثار المتوقع للصفقة على الشركة وعملياتها

Related Parties	NA	لا ينطبق	أطراف ذات علاقة
Additional Information	<p>The company is actively finalizing studies for the construction and development of the logistics park, as well as securing the necessary financing program. Any material developments will be announced in due course.</p> <p>The investment value for planning, construction and operation of the logistics zone is expected to be around SAR 4 billion.</p>	<p>تعمل الشركة حاليا على إنهاء الدراسات الخاصة ببناء وتطوير المنطقة اللوجستية والحصول على البرنامج التمويلي المناسب وستقوم بالإعلان عن أي تطورات جوهرية في حينه.</p> <p>ومن المتوقع أن تبلغ قيمة الاستثمار لتخطيط وبناء وتشغيل المنطقة اللوجستية حوالي 4 مليارات ريال سعودي.</p>	معلومات إضافية

SAL and Sela Sign Agreement to Establish the SAL Logistics Zone in Falcon City, North of Riyadh, with a SAR 4 Billion Investment to Strengthen Saudi Arabia's Position as a Global Logistics Hub

Riyadh, Monday, March 17, 2025 – As part of their joint efforts to strengthen strategic partnerships, support the logistics sector, and enhance Saudi Arabia's position as a global logistics hub in line with Vision 2030 and the National Transport and Logistics Strategy, SAL Logistics Services and Sela have signed an agreement to develop the SAL Logistics Zone in Falcon City, north of Riyadh, covering an area of over 1.5 million square meters. The signing ceremony, held in Riyadh, was attended by H.E. Eng. Saleh bin Nasser Al-Jasser, Minister of Transport and Logistics Services, H.E. Eng. Khalid bin Abdulaziz Al-Falih, Minister of Investment, along with senior officials, investors, and business leaders. The agreement was signed by Mr. Omar bin Talal Hariri, CEO of SAL Logistics Services, and Dr. Rakan Al-Harathi, Managing Director of Sela.

The Falcon City project further enhances the attractiveness of Malham, north of Riyadh, home to the Saudi Falcons Club, one of the region's most prominent cultural and heritage landmarks. Through its programs, activities, and local and international events, the club has contributed to boosting tourism and cultural engagement, fostering integration between economic projects and heritage activities, and attracting visitors and investors while positioning the area as a comprehensive destination that blends modern economic development with the preservation of Saudi Arabia's rich cultural heritage.

On this occasion, Mr. Omar bin Talal Hariri, CEO of SAL Logistics Services, expressed his pride in this new milestone for the company and his appreciation for the growing collaboration with Sela. He emphasized that launching the new SAL Logistics Zone in Falcon City, north of Riyadh, is a realization of SAL's ambitious vision to provide advanced, integrated logistics solutions that support local trade growth. He noted that this state-of-the-art logistics hub is designed to meet the increasing demand for customized warehouses, offering a strategic location near King Khalid International Airport and key highways and rail networks. These advantages position the logistics zone as a central hub for cargo handling and distribution operations, further strengthening Saudi Arabia's role as a global trade and logistics leader.

He added that this SAR 4 billion investment in developing a world-class logistics zone aligns with SAL's strategic roadmap to solidify its position as a national logistics leader adhering to global standards. The project will feature high-quality Class A warehouses, scalable storage solutions, and cutting-edge operational infrastructure, incorporating advanced security systems, climate-controlled storage, and energy-efficient solutions. Furthermore, the initiative underscores SAL's commitment to sustainability, environmental responsibility, and optimizing supply chain management to contribute to Saudi Arabia's economic prosperity.

Dr. Rakan Al-Harhi, Managing Director of Sela, highlighted that this project represents a significant leap in the development of Saudi Arabia's logistics infrastructure. He stated, "Falcon City is more than just a development project; it is a fully integrated economic destination designed to support various sectors. Our partnership with SAL Logistics Services will establish world-class logistics facilities, catering to the needs of local and international businesses while ensuring seamless business operations and investment flows."

The SAL Logistics Zone plays a key role in developing Saudi Arabia's logistics infrastructure, aligning with the National Transport and Logistics Strategy. The project aims to enhance supply chain efficiency, reduce operational costs, and attract major global companies to invest in Saudi Arabia's logistics sector. Additionally, it will boost the competitiveness of the industry by providing a fully integrated business ecosystem that meets international standards, fostering economic growth, investment opportunities, and job creation in the logistics sector.

Falcon City itself represents a next-generation integrated city, spanning 14.4 million square meters in Malham, north of Riyadh. Strategically positioned for seamless accessibility, Falcon City will host key infrastructure components, including the Riyadh Exhibition and Convention Center, an advanced logistics zone for global enterprises, an aviation runway, and aircraft maintenance facilities, all designed to enhance air cargo and logistics operations. The project will also include commercial, residential, hospitality, entertainment, and retail zones, offering a diverse and dynamic investment and living environment for residents, businesses, and visitors.

As the master developer of Falcon City, Sela continues to coordinate with relevant regulatory authorities to obtain the necessary permits for the remaining project phases, ensuring that all developments meet the highest regulatory and development standards